the Bureau of Justice statistics, expenditures on corrections alone increased from $9 billion in 1992 to $44 billion in 1997. Those numbers have continued to rise over the past decade. We stand to save billions of taxpayer dollars by reducing recidivism rates by steering our ex-offenders away from a life of crime and into a productive society.

Every human being deserves a second chance to turn his or her life around. That is why I am so glad that we have passed H.R. 1593, the Second Chance Act. And again, I thank Congressman DANNY DAVIS for his leadership in introducing and spearheading this legislation. I applaud all of my colleagues who voted in favor of it, and I urge the Senate to move swiftly.

The SPEAKER pro tempore (Mr. CUELLAR). Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

(Mr. JONES of North Carolina addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

(Ms. WOOLSEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. MORAN) is recognized for 5 minutes.

(Mr. MORAN of Kansas addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WATERS) is recognized for 5 minutes.

(Ms. WATERS addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. HOEKSTRA) is recognized for 5 minutes.

(Mr. HOEKSTRA addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

MR. AUGUSTUS HAWKINS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WATSON) is recognized for 5 minutes.

Ms. WATSON. Mr. Speaker, we mourn the passing of a great Congressman whose public service was emulated by leaders present and past. Gus Hawkins has left us with a sterling legacy that was built on the politics of inclusion.

While in office, he authored over 100 laws in the area of adult education, apprenticeship training, slum clearance, low-cost housing, workmen's compensation for domestics, disability insurance, pensions for senior citizens, and child care centers. He was also responsible for the Fair Employment Practice Act of 1959, the Manpower Development and Training Act of 1962, and the Fair Housing Act of 1963. More importantly, he authored the Elementary and Secondary School Act of 1965, which was an extensive statute funding primary and secondary education.

As a founding member of the Congressional Black Caucus, he chaired various committees and continued in his effort to enhance educational opportunities for children. He was instrumental in forming the National Council on Educating Black Children.

Augustus Hawkins' philosophy of service and leadership to the State of California and the Nation is perhaps best said in his own words, and I quote, ''The leadership belongs not to the loudest, not to those who beat the drums or blow the trumpets, but to those who day in and day out in all seasons work for the practical realization of a better world, those who have the stamina to persist and to remain dedicated. To those belong the leadership.''

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

(Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. MCCARTHY) is recognized for 5 minutes.

(Mrs. MCCARTHY of New York addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

ARMENIAN GENOCIDE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. LIPINSKI) is recognized for 5 minutes.

Mr. LIPINSKI. Mr. Speaker, I rise today to address one of the darkest events of the 20th century, an event that we must not let be forgotten.

During the First World War and in the final days of the Ottoman Empire, one of the worst atrocities in human history occurred. Even among the chaos and violence of World War I, this atrocity stood out, horrifying foreign witnesses, and prompting Theodore Roosevelt to call it, ''the greatest crime of the war.'' This crime against humanity was the Armenian genocide.

Although large-scale violence against Armenians had previously occurred, the events from 1915 to 1918 were truly unprecedented. During this period, approximately 1.5 million Armenians were systematically killed by the Ottoman Government, while the surviving Armenians were left without homes, jobs, possessions, and, most importantly, their loved ones.

Yet, despite overwhelming evidence that the Ottoman Government actively sought to destroy the Armenian population, this genocide, the first of the 20th century, has been overlooked by the United States. This is simply wrong. Because, to end genocide, we must stand up to it whenever and wherever it occurs. If we do not, we only embolden those who would commit genocide elsewhere.

In 1939, while explaining his plan to destroy the Polish population, Adolph Hitler stated, ''Who, after all, today speaks of the annihilation of the Armenians?'' And many of my Polish brothers and sisters died.

Mr. Speaker, today we have the opportunity to speak of the annihilation of the Armenians. We can finally characterize the systematic murder of 1.5 million Ottoman Armenians as genocide, and rightfully condemn those atrocious killings that occurred 90 years ago. The prevention of future genocides may depend on it.

AMERICA'S ENERGY PROBLEM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from Texas (Mr. CONAWAY) is recognized for 60 minutes as the designee of the minority leader.

Mr. CONAWAY. Mr. Speaker, we have an hour's worth of comments today about an issue that there is little debate, and that is that we have got an energy problem in this country. How do we continue to power the factories and the plants and the office buildings, hospitals, our homes, our cars? How do we continue to use energy? Where do we get that energy from? And at what cost?

There is not a lot of debate these days that we are in fact too dependent on imported foreign oil and natural gas, and that is a national security issue that I suspect the folks at the Pentagon chew on every single day. It is an issue for factory owners and businessmen and women all over this country as they look at ways to reduce

their energy usage, as they look at ways to reduce their costs, their input costs on the product that they are trying to manufacture and sell to others. That is an issue to every family in this country as they decide how to pay for gasoline for their automobiles and home heating oil and natural gas to heat their homes or electricity to heat their homes. Energy should have a central front in our debate, in our actions, particularly in this body.

Mr. Speaker, there is a story about a fellow who went to visit a neighbor. And when he got there, the neighbor was on the front porch. So they are sitting there visiting about things, and the neighbor's dog is in the front yard, and the dog is just howling to beat the band. He is making all kinds of racket. He is just howling. So finally the visitor says to the owner of the house, he says, ''What is the matter with your dog?'' And the owner looks out there and says, ''Well, he is sitting on a cactus.'' And the visitor says, ''Why doesn't he get up and get off the cactus?'' And the neighbor says, ''Well, I guess he would just rather howl.''

Well, we are doing a lot of howling in this country today about energy. And rather than get up and get off the cactus and do some things about it, we continue to just howl and gripe about the price and the cost and solutions, and are unwilling to focus and study on this issue that is of terrific importance to every household, every business, every governmental entity, because they buy fuel as well, they buy electricity, they buy power.

Let me give you a couple statistics. The crude oil December contract, the good news, it fell for the fourth time in 5 days to close at $91.17 a barrel; but the bad news is, it closed above $80 a barrel for the 40th time in 44 days, 22 consecutive days above 85, and the 14th time ever above $90 a barrel. This will ultimately translate into much higher gasoline prices.

Let's talk about home heating oil, which is of grave concern to my colleagues in the northeast. The home heating oil for contract December did fall for the fifth time in 15 days, down 8 cents, to close at $2.50 a gallon. However, home heating oil has closed above $2 a gallon for the 53rd consecutive day. Home heating oil prices are above a year ago prices for the 57th consecutive day, up almost 81 cents. This does not bode well for this year's coming winter. We can all hope and pray for a mild winter, but that doesn't make for very good public policy. We ought to be doing some things today. We should have been doing things yesterday, and tomorrow is open to us to do some things. I don't hold out a lot of hope for tomorrow, but maybe a few days from now the colleagues and I on both sides of the aisle can come to some rational conclusions about how do we power plants? How do we heat homes and hospitals? How do we drive our cars, and on what fuels? What costs are we going to live with as we transition from carbon-based fuels to some other based fuels? That has to be a part of the equation. We cannot simply just immediately wean ourselves off of crude oil and natural gas, because the replacement for that product is not in hand, nor is it in hand for the foreseeable future.

Later on this evening we will talk about some reports that have recently been issued by some groups who should get some respect from us that the makeup of the energy usage in America 25 years from now, carbon-based products of crude oil, natural gas, and coal, will make up about the same percentage of that total demand that it does today.

□ 2015

These projections are done by reputable people and ones that we should look at in terms of relying on those as we begin to craft public policy.

So with that, Mr. Speaker, I'd like to yield to my good colleague from Illinois, JOHN SHIMKUS, a member of the Energy and Commerce Committee, for some comments that he may have.

Mr. SHIMKUS. I thank my colleague, and it's great to be here tonight. We did a press conference last week addressing some of these concerns, and it's good to follow up with a Special Order tonight.

At the press conference, we really highlighted the issue of when our friends on the Democratic side took over the majority, crude oil prices were at $58.31 per barrel of crude oil. And when we did the press conference of last week, the crude oil price was at $96.65, the price of a barrel of crude oil.

Our issue was that when you have no energy plan, you have, when you can't plan, you have, this is the default energy policy of this country. The price escalations, as my friend from Texas, the difference about the price escalations now is that many times when we saw the run-up of these, the costs for a barrel of crude oil in the past, it was based upon some national emergency, Katrina, pipeline disruptions, maybe a refinery fire. What's different about the price escalations today is that it's all demand related. So if you, as many of us have, have taken Economics 101 in college, maybe in an MBA program, the simple law of supply and demand. If you have high prices, and we'd say we have high crude oil prices and we're quoted today at $91 a barrel, you would think that that would then encourage people to go into the business to explore new means of recovery of crude oil so that they would bring more supply into the market so that you would lower the prices.

But the policies here in Washington not only prohibit that, but they discourage any investment, because when people bring capital to the market, they assume risk. And when you assume risk, you assume the opportunity of losing it all. And most people in the investor community and the business community, all they want to do is if they're going to assume risk, they want to try to get a return on that investment.

So last week we had close to $100 a barrel of crude oil, in California $5 a gallon of gas. Now, this is before we even talk about a global warming debate and a 50 cent per-gallon tax.

And as I said last week, so what you now have is we have European prices for liquid fuel, but we don't have European distances. I always remind my friends, those that want to, well, why shouldn't we have as high gas prices as they have in Europe? Well, that's because you can put all of Europe on the eastern seaboard. We don't have the distances that our European friends do where they can drive across their country in 2½ hours. I can't drive across my district in 2½ hours from one point to another from the far west to the far east. So that's a problem that we have in this debate.

So what we would like to see, we've already moved some energy bills on the floor. They're mostly efficiency oriented, the light bulb and the light car tires. But what we need to do is we need to focus on bringing on more supply, and that should be an energy policy.

When you have no energy policy, the energy policy of this country is $96 a barrel crude oil. That's the default energy policy of this country if you do not bring on significant amounts of increased supply.

So what kinds of supplies? All my friends here on the Republican side, one thing we have in common, although we will talk about different types of supply, is that we're all supply people. We all know that you if want to lower costs, you've got to bring more supply on board. And so that's kind of the commonality of the focus, because when you have more supply, you have lower cost. When you have lower cost, that's lower out-of-pocket cost to the individual consumer.

And the consumers are going to start complaining when they're at $3 a gallon of gas, $3.50, especially around Christmastime because they're going to be spending that extra money at the pump versus going to the store. Then you have an oversupply of toys at the store. We all know about the focus on, you know, the Christmas shopping period. High energy costs will diminish and dampen the ability of our consumers to have a good Christmas shopping season. So that affects the manufacturers of all the things that we would like to buy for our loved ones at Christmas.

So how do we address the supply concerns? And again, all of us are going to be involved with that. One thing that I've always pushed for and always encouraged us to take, look after, is an alternative fuel standard.

When the President was here for the State of the Union address he said he would sign an alternative fuel standard. An alternative fuel standard would talk about things like corn-based ethanol. It also would address stuff like

soy diesel, soybeans crushed and mixed with petroleum diesel, which is obviously the soybean portion, or the beef tallow or the reformulated cooking oil or all things that are renewable.

And then, obviously, we have coal. And now in Illinois alone and in parts all over this country, we have a 250-year supply of coal in the Illinois coal basin.

Now, coal can be used for a lot of things. Coal can be used to generate electricity. When we have this energy debate, we focus, sometimes we all lump it together, and sometimes I like to split it apart: part of it would be electricity generation; the other would be liquid fuel.

It would surprise people if they knew that 50 percent of the electricity generated in this country comes from coal. In fact, the lights in this building and the lights at the Pentagon and all the electricity that we use here in the Capitol complex we can point to not only our own power plant, which uses coal, but one right across the river that also provides electricity.

Now in this country, we're pretty much independent on electricity generation. Fifty percent coal, 20 percent hydro, 20 percent nuclear, 10 percent the other one. The concern we have is the liquid fuel debate where we are highly dependent on imported crude oil. And hence, because demand goes up, we have $96.65 a barrel crude oil.

A no energy plan is a plan to fail and a plan to increase crude oil prices. So while we're trying to work with our friends across the aisle and the leadership of this House, I mean, there's a lot of my friends who I call fossil fuel Democrats who understand the importance of fossil fuels in this country and understand the importance of making sure that we bring more supply in the fossil fuel arena to this debate. They have been tampered down by the leadership.

But we hope in this Special Order, we hope from the press conference of last week, and we hope from the anger and angst that the driving public's going to see by escalating prices, that we'll start at least start making the point of you can't always say no if you want to have an energy policy. You can't always close up supply. You've got to make sure that where you know you have available resources, you then take the opportunity to go in those arenas. Like we want to exploit the Illinois coal basin for electricity generation and for liquid fuel. We do not want to shut off areas by which we can bring in more natural gas reserves or other type of fossil fuel research.

So for my colleague from Texas, for planning to execute this Special Order, I appreciate the time that he has allotted me and want to let him know that I'm going to continue to be on the watch trying to drive home to the American public the importance and the need for a sound energy policy that, yes, talks about some efficiency issues, but as important, in fact, I think more important, talks about really bringing more supply to the debate so that we can at least maybe hold prices steady.

I'd like to see us move to start lowering prices so that the consumers of this country have more spending power, the manufacturers in this country will have that as a net plus in their competitive advantage, which is low-cost power. And I feel that the inability of the Democrat leadership of this House to move effectively on the supply end will cause great distrust, dissatisfaction, and danger for the energy security position of this country.

Mr. CONAWAY. I thank my colleague for his comments tonight. They are spot on. It really is about the supply of energy and where we're going to get it, what form it's going to take, how we should transition from where we are today to where we want to get to and what that will cost.

Much of the debate to date has ignored the cost to the consumers, the cost to businesses. And should we do that, we do so at our own peril because if we artificially or arbitrarily raise costs to American manufacturers, American producers, and ultimately American families and homes, that makes us less competitive around the world as we try to compete. We've got 5 percent of the world's population, and so 95 percent of the world is our market. And if we're going to make things in America that we can sell to somebody else, we need every single competitive advantage that we can have.

Clearly, we've been coming out of a period where energy was relatively cheap. We've enjoyed very cheap gasoline prices almost as if a right of being an American. That right and those low prices has come as the result of some incredibly efficient and risk-taking people who've been willing to risk fortunes and make a lot of money and lose a lot of money trying to provide crude oil for our refineries that have allowed us to drive on cheap gasoline when the rest of the world isn't.

Before I turn to my colleague from Pennsylvania, my colleague did make some rather benign comments about the legislation, energy legislation that's already come across the floor. And I'd like to call his attention to a study that's just been released by API, which was prepared by the Charles River Associates International. This study looks at the legislation that's pending or has passed so far. It looks at the oil savings provisions, the increased CAFE standards, the increased taxes on the industry, the renewable portfolio standards, expanded renewable fuel standards.

All of the bills that are passed or talked about passed were reviewed by this group. And there's some pretty startling impacts that this legislation will have. Every vote has a consequence, and to the extent that we do things to reduce supply and to harm our own country, here's what some of the impacts could be.

This study, and I hope my colleagues across the aisle will get the study and study it, try to poke some holes in it, try to show where it's wrong. But to the extent that this is a reasonable analysis of what those bills do, I hope that they also take that into consideration as they continue to formulate the energy bill that we may see this week which has no Republican input. I don't know that it's got a lot of Democrat input in it. It seems to be a leadership, Speaker/ leader of Senate kind of a bill.

But these bills so far will cost, 5 million jobs will be lost by the year 2030. The average American household's purchasing power could drop by $1,700 by 2030. Aggregate business investments in the United States could drop by as much as $220 billion by 2030. Our national GDP could decline by more than $1 trillion by 2030, relative to the baseline. And cost of petroleum products could more than double by 2030, just on the bills that have been threatened and some that have already passed so far in this House.

So the energy bills that have passed this House and have been introduced on this floor have a consequence, and these consequences appear very dire.

What I don't see is what the benefits are from the bills that have passed. It is clearly not a supply-based concept that's being worked on from the other side.

So now it's my great pleasure to turn to JOHN PETERSON, a Member from Pennsylvania who's on the Interior Committee. And JOHN has studied this issue quite at length, and is one of our go-to guys when it comes to particularly natural gas. So, JOHN, let's hear what you have to say.

□ 2030

Mr. PETERSON of Pennsylvania. I thank the gentleman from Texas and my friend from Illinois. It's a pleasure to work with both of you. And I just wish the majority of Congress had a deeper interest in energy.

I guess I find it confounding that this is a chart I have been using all year and it doesn't work anymore. This was the rise. This is annualized by year. It doesn't have the spikes that happened in those years, but this is the annualized figure. And I just find it confounding that last week we were bouncing all over 98, almost 100 one day, and not a word spoken in here about energy. It wasn't a priority. It was not even a discussion on this floor, except for a few of us, in 5-minute speeches or hour speeches, like tonight, talking about it. But the committee is not meeting. The conference committee is not meeting. And I guess the question is how difficult does it have to get. Because here we are approaching the winter season. People have to heat their homes. And 58 percent of them use gas, I think 30 percent use electricity, and 9 percent use home heating oil, and then there are a few other mixtures in there. But nobody seems to be concerned.

I was a retailer for many years, supermarket operator, and I remember back in the 1970s and 1980s when we had the energy spikes that were really severe back then. And as a person in the food industry, you would think people would always have money for food. 1979 and 1980 were very difficult years in my business because people didn't have money to spend.

What we forget about is 50 percent or maybe 60 percent of Americans spend every dollar they make every week. They don't have any money in the drawer. They don't have any extra cash in the bank. They spend. And when energy prices spike like this, and especially in rural America where I come from, transportation costs are high in big rural areas. People have to travel to work, travel to church, travel to school, travel for everything. And then when you pay your transportation bill and then your home heating bill, in rural America, again, bigger old farmhouses, not a lot of new housing, not as energy efficient as the new modern housing, so they have high home heating bills. And when they spend an inordinate amount for home heating and for transportation, then they have less money. And my friend from Illinois was talking about it. I had tough springs. Usually in my business, I was lucky to break even through March. You had to make your profits the rest of the year. But in those years it was into May before I cracked into a profit because people didn't have money to buy basic fundamentals, food. I was in the food business. And that's what is going to happen in America this year. It could challenge the holiday season because it came this early.

I didn't expect $95 oil, and I'm going to tell you why. Everybody has told me that if we had a major storm in the gulf, and we have been very fortunate in America, we haven't had a major storm in the gulf in 2 years. The first time ever that we've gone that length of time. Everybody has told me this summer, when it was 75 or 80 and I asked what a major storm in the gulf would bring us, $100 oil. A couple weeks ago, I asked a gentleman what would a storm in the gulf bring us. He said $120 oil. Could we handle $120 oil? I'm not sure. I don't think we could handle $95 oil for a long period of time and keep the economy moving, because a great amount of our economy is you and I shopping, buying goods and services, and when we have so much money being consumed by energy, it has to come out of our budgets. And those who don't have any extra cash, credit cards will only give them so much, and then they are going to start cutting their spending.

I think the thing that's interesting is the prediction for America. We have finally gotten this on a chart that anybody could figure out. Usually you see charts and you have lines going up and down. This is energy usage in America up to now. This line in the middle to my left is the projection by the Energy Department of what energy we are going to consume in this country. It doesn't change much.

Now, I wish this nonhydro renewable line up here was just exploding, this red. That's what we are pinning our future on. Now, I'm for it. We are subsidizing. The people are saying we are holding it back. We're not holding it back. This is the projection of the Department of Energy of what renewables are going to grow. That's wind and solar. That's the mix.

Look at hydro. Because we are not building dams and because dams are still being removed, hydro decreases. Now, there is a little bit of growth in nuclear here, very little, if we build the 35 plants that are under permit process tonight. We need to build those new 35 nuclear plants just to keep electric generation at this percentage that it is. I think it's 8 percent, if my memory is correct.

Coal, now I happen to disagree with the Energy Department. They have coal growing. With the CO_2 debate, coal is going to diminish. And I think their projections were made before CO_2 and carbon became the issue, because I see coal plants being refused by States all over the country. There are permits being denied. And they don't show gas growing, and I disagree with the Department of Energy on this estimate, and they may be a little bit wrong on renewables. But if you double this line, that's a lot wrong. It still isn't very much, is it? Now, I look for gas, because every country that started dealing with carbon as a pollutant and started charging carbon taxes or penalties, natural gas is the big winner because it has a third of the carbon of the other fossil fuels and has no NO_X or no SO_X, nitric oxides or sulfur oxides; so I predict that it will come up here and coal will decrease. That's my opinion because, as my friend from Illinois has talked about, we ought to be building. I'm going to give the White House credit. They are pushing six cellulosic ethanol plants. I think that's good. That's pretty new technology. That's using woody waste or biomass of any kind to make ethanol, and I think that's good. But I think we ought to be building 10 coal to liquid plants and some coal to gas plants.

Then we look down here at oil. Oil is going to be a major part of America. Now, we have heard lots of speeches on this floor that we are going to replace oil. I wish that were true. I wish that was possible. But what we have decided in America is we are not going to produce oil. We're going to restrict it. The government owns a lot of the oil in America. They have control of all offshore, and 80 percent of that has been locked up by three Presidents, and all the Congresses in the last 26 years have voted to literally not produce energy. In Brazil, who is energy independent and everybody says it's ethanol, well, ethanol is a piece of it. It's a nice piece of it. But they've opened up their Outer Continental Shelf, and I think they just found one of the biggest finds ever off South America just in the last week, and Brazil is producing offshore like we ought to be producing.

But oil is what scares me. Number one, we are not producing it, so we are part of causing the shortage in the world. Number two, we are gaining dependency on foreign, unstable governments, 2 percent a year. And I think if we pass the energy bill that I hear rumored about, it will probably be 3 percent a year. And I hear people say we are going to be energy dependent. Well, there is no way in our lifetime, probably my lifetime anyway, and some of you may be younger, that we can be energy independent. We can be less dependent. I would like us to be energy independent, but we can only be less dependent. But this one just keeps marching on.

And why is it $95? Well, we have countries like China who are producing energy all over the world. They are locking up oil and gas reserves in every part of the world. Every part of the world. They're going to be producing less than 50 miles off of Florida with Cuba, as are five or six other countries. In our waters, actually, they are going to be producing oil that we should be producing. But we have locked up those 200 miles offshore and cannot produce there.

So my biggest fear, and I will just ask the question, what if one unstable administering country topples? What does that do to the price of oil? What if we have a storm like Katrina? What does that do to the price of oil? What if terrorists struck a couple of refineries, some pipelines, some loading stations in foreign countries where we get a lot of our energy? What happens to the price of oil? Will China stop anytime soon purchasing and outbidding us? I predict in the near future you are going to see China announcing a major oil coup with a major supplier that has been part of our supply system. That's what they are doing. They are out there locking it up.

It's interesting in the summertime we get 20 percent of our gasoline from Europe. This spring we had $3.09 gasoline in my market, which we have $3.09 now, at $63 oil. We now have 90-some-dollar oil, and we still only have $3.09 gasoline because gasoline has not yet caught up with the oil price, plus at the end of the summer there was a surplus of gasoline. This spring when the driving season started, Europe was short of gas themselves, so they couldn't supply us with the gasoline they normally did. So there was a shortage in the market, and, of course, that runs the marketplace up. So $3.09 gasoline was abnormal, just as abnormal as $3.09 gasoline is in America today with $95 oil. We are probably looking at $3.49, $3.50 gasoline would sort of be the price if it was being used out of today's oil and with not a surplus of supply.

Here is a chart that tells what we use: 40 percent petroleum, 23 percent

natural gas. Now, this figure has grown a lot because 13 years ago we took away the prohibition of using natural gas to make electricity, and we went from 8 or 9 percent of our electricity made with natural gas. We only allowed it to be used for peak power in the morning and evening when we have to turn them on and off. And a gas generator is cheaper to build, doesn't take very long in comparison to other generators. But now we produce 23 percent, and that number is growing every day, and it will really grow. Coal, 23 percent; nuclear, 8 percent; hydroelectric, 2.7; biomass, 2.4; geothermal, .36; wind, .12; solar, .06.

Now, here is where our future lies, and the only one that is really growing is biomass. How is that growing? Well, we are using it to heat factories. Wood waste has now become a commodity. I'm from Pennsylvania, the hardwood capital of the world. We are now drying most of our wood with wood waste instead of using fuel oil or natural gas because it's cheaper. A million Americans will heat their homes this year with wood pellets. A lot of people don't know about a pellet stove, but a pellet stove is a new, modern, beautiful stove that you can heat your home and it's wood waste. That is a new consumer in the market. And also power plants that are burning coal will top them with wood waste so they can just slide under the air standards where the coal they are burning might just have a little too much emission in it. So they'll use 20, 30 percent wood waste, and they will be able to meet the EPA air quality standards. So woody biomass is the growing one. And now when we go into cellulosic ethanol, we are going to use wood waste again to make ethanol, cellulosic ethanol.

But let's say we really put our effort behind, and we are, solar. So let's say we double solar. Now, it is hard to double something in 10 years. But let's say we double it in 5 years. So we would be at .12. And if we double it again in another 5 years, we would be at .24, if my math is still good. And we take wind and we do the same. We could do that for a number of years, a couple decades. We'd still be struggling to get a percent of our energy from wind and solar.

□ 2045

And yet people seem to think, and I don't know why, but they seem to think it's ready to take over, it's ready to be helpful. But it's not ready to replace that big wide band I had on oil, it's not ready to replace that big wide band on coal. Nothing is. And hydroelectric is decreasing because we're taking dams out and it's becoming a smaller percentage. And nuclear will decrease to 7 percent if we don't open the new plants because, as electric use goes up, if nuclear doesn't go up with it, it will become a smaller figure.

So when you look at this chart, now I'm going to switch gears on you for just a minute, what do we hear? Here's what we hear is coming now: this is, I believe, the ''no energy bill.'' It locks up 9 trillion cubic feet in the Roan Plateau. The Roan Plateau is a huge, clean natural gas field in Colorado that was set aside as a naval oil shale reserve in 1912 because of its rich energy resources. This means that 9 trillion cubic feet of natural gas, more than all the natural gas in the OCS bill that was passed in Congress last year, that little piece in the gulf, will be put off limits. It has already been through NEPA, it's all ready to lease, it's ready to produce. Legislation that's coming before us is going to take it away. What makes sense about clean green natural gas?

Next, it locks up 18 percent of the Federal onshore production, America's natural gas. And that's because of policy changes and further NEPA studies, and making it more difficult to permit is going to slow down the production of both oil and gas production in America.

I was responsible for a small amendment, but a good amendment, in the energy bill in 2005. It took away redundant NEPA studies because NEPA studies take a year. I talked to people who had leased land and in 7 years have not drilled yet because they were still doing NEPA studies because they had to do one for every piece of the process, not a NEPA study, and then produce it with a NEPA study to delay. Locks up 2 trillion barrels of oil shale from the West oil shale.

Now, everybody talked about the tar sands as oil that we couldn't get. Canada has been persistent. They're now producing 1.5 million barrels a day. Much of that is coming into our States to be refined. In fact, they're trying to enlarge refineries in the northern tier, having a lot of problems. Lots of resistance about enlarging those refineries, but that's necessary to produce. But the tar sands are one of the fields that's growing in Canada that's available, and they tell me that shale oil has even greater reserves.

It's going to lock up 10 billion barrels in Alaska, the national petroleum reserve, breaches legitimate legal contracts that are out there that companies have signed to produce oil by trying to make them null and void with legislation.

And then the one that really is bad, $15 billion tax increase. I have two oil refineries in my district, one in Warren, Pennsylvania, American Refineries, and in Bradford, Pennsylvania the original Kendall refinery. They're going to pay, if this bill passes, a higher tax than any other business in Pennsylvania or in America. Does that make sense, that we're going to tax people who produce energy with a greater tax than those who produce steel or food or other products for a profit? I don't think it does. I know what it's about; it's about the hatred of oil companies. Well, Big Oil does not produce.

The other fact I want to share with you, 90 percent of the oil in the world today is not owned by an oil company. The 14th largest oil company in America today is Exxon. The other 13 are countries like Mexico, Iran, Iraq, Saudi Arabia, Venezuela, Nigeria, Russia, all our good friends. Dictatorships, unstable governments, unfriendly governments, and they own about 90 percent of the oil.

And now what's worrisome, from what I'm told, is they're using this huge cash revenue for social purposes, and they're not putting the money back. So it could happen in the very near future that those countries could not produce enough oil to supply America. And that's why we have $95 oil, because we're not doing coal-to-liquid; we're not doing all the other things we ought to be doing. We're hoping that renewables can replace oil. I wish they could.

I think America, I think this Congress, I think this administration needs to take a very serious look at the economic viability of this country if we continue, if all we have coming at us is a bill that has, it shouldn't be no energy, it's less energy and more taxes.

I thank the gentleman for allowing me to share.

Mr. CONAWAY. I thank my colleague from Pennsylvania for sharing those facts with us. And pesky though they may be and inconvenient though they may be, they're nevertheless facts; and I appreciate you sharing those with us.

I again would like to turn to my colleague from Illinois for other comments that he might have.

Mr. SHIMKUS. I want to ask my friend from Pennsylvania a couple of aspects on the chart. The first one, when we talked about the tax, under this current Congress, how many times have the Democrats gone to that same pot of money for PAYGO issues of other bills that have come to this floor?

Mr. PETERSON of Pennsylvania. I can think of five or six.

Mr. SHIMKUS. I know there is at least three times, and I'm being told four, using this same pot of money to justify the PAYGO, the new spending that they brought on.

The other thing that we really need to have here and talk to the American public about is that the Energy Information Service, what we don't have depicted is, what is going to be the future demand? And the future demand is going to double. So with your great chart of all the portfolio there, it's kind of confusing because the public might think, well, as we look at that, that everything is going to stay pretty much the same. But the reality is demand is going to go up exponentially. And if you have the same amount of supply and the demand goes up, then you see $100 a barrel crude oil, $120 barrel crude oil. And that's why, as we have come here to talk about supply, we want to bring more supply to the table. And we know we have friends on the other side of the aisle that believe the same thing.

I'm working with RICK BOUCHER. And you mentioned coal-to-liquid. Just imagine this, we have 250 years' worth of coal in the only coal basin. So you have the coal underneath the ground, you build a coal mine, right on top of it you build a coal-to-liquid refinery somewhere in the Midwest or somewhere in Pennsylvania where there is a coal field, and then you connect it to pipelines that we have today. Then you limit the risk. The risk we have now is, if we're not going to build new refineries, we're going to build refineries and expand existing refineries, and we have so many down on the gulf coast, we have them in Louisiana, we have them in Corpus Christi, we have them in Houston, we have them in all these areas where they are really at risk, and we dodged a bullet this year, of major storms that take these refineries offline, depending upon the severity of the storm. So for national security sake, to have a diversified energy portfolio, JOHN, you said it numerous times, diversification. When you have an investment portfolio, you want diversity for security.

We've got to have a diversified energy portfolio. And for our friends on the other side to say no to coal, no to oil, no to nuclear, yes to solar, yes to wind, and it's such a small portion of what can really affect the cost, it's really sending a terrible signal to our constituents that the salvation is in renewables when we all agree we want a diversified portfolio. We want to bring them on. But if you do it at the risk of the other major sources of supply, you do great harm to this country.

Mr. PETERSON of Pennsylvania. Would the gentleman yield?

Mr. CONAWAY. Yes.

Mr. PETERSON of Pennsylvania. I disagreed with the IAs. I look for gas to get bigger and coal to get smaller because of the CO_2 issues.

Now, let's say they're wrong here, because I'm sure lots of people will disagree with them. Let's say they're 100 percent wrong. Right now, when you see hydro and nonhydro, you see hydro decreasing as much or more than nonhydro increases, so there is really no growth in renewables. Let's say they're 100 percent wrong. So instead of having 5 percent, we're 10 percent. It wouldn't even take up the growth need of America. So let's say they're wrong, and we're going to be twice that effective at renewables. I hope they're wrong, but it won't take care of the growth. We will still need this oil, we will still need this gas, we will still need this coal.

Mr. CONAWAY. Will the gentleman help us understand, as we talk about these supplies, a variety of energy resources, we assume, for the lack of this conversation, that it's all equal and that it all costs the same amount of money to produce, and that's the fallacy. One of the problems with a renewable portfolio standard of 15 percent, now, that our chart does not depict just electricity, but if we had a chart that did just electricity, the big players are going to be the same.

Mr. PETERSON of Pennsylvania. I don't have a big chart, but I have a little chart.

Mr. CONAWAY. And it's very close to the same. And if we demand or mandate 15 percent total electricity produced from renewables, what does that do to the cost of that electricity to the consumer?

Mr. PETERSON of Pennsylvania. It's going to be much higher.

Mr. CONAWAY. And, in effect, that is a tax on families in this country. Now, we all want to get to a, I would refer to it as an energy security, not only American energy security, but we ought to be talking about global energy security in this context. Right now we're focused just on the U.S. And so as we look at this energy security, not understanding that a global portfolio standard increased to an unworkable 15 percent is a heavy tax on consumers, it's a tax on businesses, it's a tax on anybody who turns on a light, anybody who gets in a car, anybody who uses electricity, that's a tax that they're not currently paying; and those increased taxes go to a narrow margin of the energy supply. And our real goal should be energy security at a cost that we can afford.

And I yield back.

Mr. PETERSON of Pennsylvania. That's the electric map, and it shows, it's the same as this. But it does prove my point, that coal goes down and gas goes up; it gets bigger. But up here at the top, you have the same thing. There is almost no change because the growth in volume needed more than absorbs all these new renewables.

Mr. CONAWAY. Texas Utilities announced that they were going to build, I think the number was 12, 300-megawatt coal fire plants in Texas. And the reason for that was that over in that time frame of construction, the demand in Texas was expected to increase, electricity demand was expected to increase to the point that our grid, ERCOT, which is separate from the rest of the United States, the differential between demand and supply would narrow to a margin that is unacceptable from a safety standpoint. And these 12 plants were going to help keep that margin at the 9 or 10 or 12 percent excess capacity to allow for spurts in daily demand or to allow for continued growth in demand without getting to a point where you turned the light on and it didn't work, the experience in California where they had brown-outs because supply outstripped demand.

You mentioned earlier about the opponents to coal fire plants. They went to work, Texas Utilities, to demand that they not build those plants. And as a result of that, and a takeover by a private entity, eight or nine of those plants have now been scrapped and they're only going to build three. Now, what got lost in that conversation was, where is the extra electricity production going to come from in order to keep ERCOT at a margin of safety for the differential between supply and demand that it has had over these years and should have in the going-forward future.

So as we look at how we produce electricity, and all of us who have always turned lights on with the assumption that they would come on, left unchecked and left to our own devices, the growth in demand will get us to a point in the not-too-distant future where we will turn light switches on and nothing happens because the electricity is just not there to be used.

Mr. SHIMKUS. I mean, you bring up a good point. And I would like to focus on that for a minute. Because now you're going from 12 coal fire plants or electricity generation plants to three. And one of the reasons why the building trade and many in organized labor are in support of a new supply provision, because look at what you've done, look at all the jobs to build these plants, and then look at all the good-paying jobs to operate these plants.

I don't know what Texas plans are, but I can see them very well, governments south of the great State of Texas citing a power plant and selling power across the border into Texas. And then who gets the jobs? It's like the same, my friend from Pennsylvania, we talk about natural gas all the time; if we're not willing to have a liquefied natural gas port built inside this country, where are they going to go?

□ 2100

Where are they going to go? To the Bahamas. Or they are going to go to other places where when they build the port facility, they build the liquefied natural gas, and then they pipe it in to this country. Who loses the jobs? We lose the jobs. So that is one of the frustrating things of this debate.

There are two main issues. We always talk about energy security because we address it in the national security component of how do we keep our Nation safe, how do we stop from being extorted by foreign rogue countries, and how do we keep our economy from falling in disruption should there be a strike in the sea lanes.

But there is also another security debate that we have talked about, and that is financial security, financial security for this country, and what really strikes individual families is financial security for the families. When you have these types of price escalations, when you don't bring new major supply to the economy and you put all your promises on a small portion of renewables that won't even meet the future demand increase, then what you are doing is, you are going back to $96 a barrel of crude oil. And that is the no energy plan that we are talking about. And all we are saying to our friends, and again, I have many of them. I work with them on the committee all the time. My fossil fuel Democrats, now is the time to make sure that fossil fuel

is a huge, is a part of this debate. And my friend from Pennsylvania is right. We are not saying it has to be the whole thing. We are all comers here. I have got my corn here. I have got my soybeans. I have my coal. I have got marginal oil wells in southern Illinois, marginal oil that we can use and recover, and we are still recovering oil from southern Illinois. Bring on the wind, bring on the solar, but we want to bring everything in. The more supply we have, the lower the cost, the Nation will be better off

Mr. CONAWAY. Before we get away from the coal comments, I want to make sure that, I know my colleagues agree with this, as we look at coal usage, it ought to be clean-burning coal. None of us argue in support of continued CO_2 emissions from coal-fired electricity plants. There is in the works right now a future gen project which is going to be about a billion eight research project. There are four sites that are in the hopper still competing for that one final selection: two in Illinois, two in Texas, one in my district.

Mr. PETERSON of Pennsylvania. None in Pennsylvania.

Mr. CONAWAY. That will do the research to be able to learn how to burn all forms of coal from the lignite that we have in Texas to the hard coals in Pennsylvania and Illinois, learn how to burn that coal to generate electricity but yet capture the CO_2, and then take that CO_2 and either sell it back to the oil and gas business to sweep oil reservoirs to enhance the oil recovery, or in many places we will have to learn how to put it underground, deeply buried, permanently buried in the ground so it is not in our atmosphere. That is essential that we get that done, and the sooner the better, because all of us believe coal is a long-time solution to electricity production, but it ought to be clean-burning coal, zero-emission coal-fired plant. That is important not only for the coal plants that we ought to be building in the United States, but India and China are also part of this consortium that is going to develop this technology. China is bringing on a 500-megawatt power plant every 2 weeks or so. India is in a similar mode. They are going to burn coal however they need to in order to generate electricity because electricity and an increased electricity supply drives growth and economies. The availability of the electricity helps drive the growth in these economies. China and India are going to continue to burn coal and spew CO_2 into the atmosphere no matter what we do. So it is in all of our best interests to learn how to burn coal cleanly and take advantage of that 250-year supply that my colleague from Illinois was talking about.

Mr. SHIMKUS. I know that the public, sometimes they don't understand that carbon dioxide is a commodity that is bought and sold, that people want, and we want it in the soda business to give the fizz in your Coke or your Pepsi, or as my friend from Texas knows, advanced oil recovery. You shove that CO_2 back in the ground, it helps recover that margin of oil that has been harder to recover in the past.

Mr. PETERSON of Pennsylvania. One thing I want to mention, what has happened to these high energy prices? Dow Chemical paid $8 billion for natural gas in 2002, $22 billion in 2006, and they are now building plants all over the world because we can't afford America's energy. That is the message we need to realize. Many companies are doing that, and we need to prevent that.

Mr. CONAWAY. I want to thank both my colleagues tonight for coming in and sharing this hour and hopefully shedding a little bit of light on an issue that is of interest to every single American. We all use electricity in some form or fashion. It is all important to us.

In the couple of minutes we have left, I want to bring both my colleagues' attention to a study that came out this summer called ''Facing the Hard Truths About Energy.'' This is a study that was done by the National Petroleum Council. It involves some 350 contributors. It was not a new study in the sense that it went out and did the research, but it gathered the research from these 350 participants that cover a very broad spectrum. It included of course energy producers. It included environmentalists. It included everybody who might have something intelligent to say about the issues and problems that we face. It was transparent. Everybody got to see what was going on. There weren't any hidden agendas. There weren't any preconceived ideas.

I want to quickly run through the things that this study shows that we must do in the United States. Some I agree with wholeheartedly, and others I am still questioning and understanding the impact. But this study, which I hope over the next several months we are able to show to the American people and have them look at it and understand the issue as you and I do, but this study would say that we need to moderate the growing demand for energy by increasing efficiency of transportation, residential, commercial and other industrial uses. That is one we can all agree with. Expand and diversify production from clean coal, nuclear, biomass, other renewables and unconventional oil and gas; moderate the decline of conventional domestic oil and gas production, which means lifting those restrictions and going after domestic crude oil and increased access for development of new resources; integrated energy policy into trade, economic, environmental, security, foreign policies; strengthen global energy trade and investment; and broaden dialogue with both producing and consuming nations to improve global energy security. Not just energy security of the United States, but global energy security, because a world that has global energy security will be much more peaceful than a world that is fighting for the energy.

Enhanced science and engineering capabilities and create long-term opportunities for research and development in all phases of the energy supply and demand system. And finally develop the legal and regulatory framework to enable carbon capture and sequestration. In addition, as policymakers consider options to reduce carbon dioxide emissions, provide an effective global framework for carbon management, including establishment of a transparent, predictable economywide cost for carbon dioxide emissions.

A couple of their findings unrelated directly to their recommendations were that the majority of the U.S. energy sector workforce, including skilled scientists and engineers, is eligible to retire within the next decade. The workforce must be replenished and trained. These are millions of jobs across a broad spectrum, from roughnecks all the way to the smartest scientists, that we have got in this country.

So I want to thank both my colleagues for coming to us tonight. We have 1 minute to close. JOHN, anything? JOHN, anything?

Mr. PETERSON of Pennsylvania. Well, I guess I think the thing we need is we need an energy policy. We need to get serious about energy. Energy, in my view, is the number one challenge of America. I've said this in many speeches; I think it equals terrorism and the security of America. But if energy prices continue to skyrocket and we cannot compete in the global economy and the average American can't get a workingman's job, we are going to be a country in trouble. We are going to be a country that is not first rate. We are not going to be the leader of the world.

Energy availability and affordability should be the number one issue in the Congress. It is unlocking the OCS. It is unlocking the Midwest. It is wiser use of energy. It is using less for transportation, more efficiency. In fact, conserving in the next 5 years is probably all we can do, because everything we have talked about takes 5 to 10 years to produce fruit to bring it to market. So I think America's, I think that the real terror threat of this country is available, affordable energy.

Mr. CONAWAY. I want to thank both my colleagues for joining me tonight. As we opened the conversation tonight, I think it is time we quit howling and begin to do something that is important to all Americans.

With that I yield back.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 3074, TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS ACT, 2008

Mr. HASTINGS of Florida (during the Special Order of Mr. CONAWAY),